

Easterling, Deborah

From: Boyd, Jocelyn
Sent: Thursday, June 20, 2019 9:47 AM
To: Easterling, Deborah; Duke, Daphne
Subject: FW: [External] S.C./ Joint Comments of SCSBA and JDA relevant to IRP related procedural issues.
Attachments: ~\$lar Alliance Letter 6.20.docx; ATT00001.txt

-----Original Message-----

From: Richard Whitt <rlwhitt@AustinRogersPA.com>
 Sent: Wednesday, June 19, 2019 5:51 PM
 To: Boyd, Jocelyn <Jocelyn.Boyd@psc.sc.gov>; Melchers, Joseph <Joseph.Melchers@psc.sc.gov>
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 Subject: [External] S.C./ Joint Comments of SCSBA and JDA relevant to IRP related procedural issues.

Jocelyn and Joseph:

Attached are the Joint Comments of the South Carolina Solar Business Alliance, Inc. and Johnson Development Associates, Incorporated, relevant to IRP related procedural issues.

All Parties are copied.

Respectfully Submitted,
 Richard Whitt.

Austin & Rogers, P.A.

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June 19, 2019

VIA, ELECTRONIC MAIL

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

**RE: > Integrated Resource Plan Related Procedural Issues
> Joint Comments of the South Carolina Solar Business Alliance, Inc. and
Johnson Development Associates, Incorporated.**

INTRODUCTION

During its June 12, 2019 Business Meeting, this Commission requested information from interested parties on Integrated Resource Plan (IRP) related procedural issues. The South Carolina Solar Business Alliance, Inc. ("SCSBA") and Johnson Development Associates, Incorporated ("JDA") respectfully submit these Joint Comments for consideration.

COMMENTS

As this Commission is aware, IRPs have far reaching implications for a litany of issues that fall under this Commission's purview and that flow directly from Act No. 62 of 2019 ("Act 62"), including but not limited to, avoided cost rates, Voluntary Renewable Energy Program bill credits, value of solar calculations for customer-sited generation, community solar bill credits, grid modernization considerations, and utility cost tests for energy efficiency and demand side management programs. In short, IRPs are the foundation for ensuring utility investment decisions and rates are in the best interest of customers and that accurate price signals are being sent to market participants like solar developers.

Revised code section 58-37-40 fundamentally changes the IRP requirements for electrical utilities, while significantly expanding Commission oversight of these issues. The legislation provides for intervention and discovery within an IRP proceeding and requires this Commission to either approve, modify, or deny an electrical utility's IRP. Given these changes, the SCSBA and JDA recommend that this Commission establish a generic docket for purposes of adopting a

uniform set of IRP requirements to clarify and support implementation of the new statutory language.

In the past, this Commission has taken a similar approach to ensuring consistency in substantive and procedural IRP matters. Specifically, in 1991, the Commission issued (in a generic IRP proceeding) Order No. 1991-1002 (attached here), which provided IRP reporting and filing procedures that described in detail what materials and information an IRP must include. Unfortunately, the IRP filing and reporting requirements established in Order No. 1991-1002 were significantly curtailed (at the request of the state's investor owned utilities) in Order No. 98-502, ultimately leading to a need for the General Assembly to address IRP deficiencies within Act 62.

The SCSBA and JDA request that this Commission now revisit these issues and establish a uniform set of electrical utility IRP guidelines and reporting requirements in furtherance of judicial economy and consistency in statutory interpretation.

SCSBA and JDA submit that additional guidance from the Commission in a generic IRP docket is reasonably necessary to forestall the filing of IRPs that clearly do not meet statutory or Commission filing expectations. An example helps illustrate this need: in its 2018 order in the SCE&G fuel case (Order No. 2018-429), the Commission explicitly directed SCE&G to improve transparency related to scenarios and costs considered in the IRP by providing a table that explicitly lists the options reasonably considered and the related costs of those options. The Company's response to this directive was to provide an exceedingly brief overview of 19 different scenarios considered in the plan, ranking them according to cost. However, the cost data provided did not reveal the actual revenue requirements for any of the different scenarios. Thus, while the company's filing might have been consistent with a constrained interpretation of the Commission's Order, it certainly did not provide information that would satisfy the purposes articulated by the Commission in its Order.

Likewise, although Act 62 includes some clear requirements about the required contents of IRPs, SCSBA and JDA submit that unless the Commission provides additional guidance about the scope and extent of these requirements, the parties to the utility-specific IRP proceedings are likely to spend unnecessary time and energy contesting whether the IRPs include all the required information, rather than considering whether the IRP "represents the most reasonable and prudent means of meeting the electrical utility's energy and capacity needs," as required by the Act.

Although the statute does not set a definitive timeline for implementation of updated IRP requirements, other than requiring that electrical utilities file an updated plan at least every three years along with annual updates, the SCSBA and JDA recommend that this Commission establish a procedural schedule for late 2019 or early 2020, which provides enough time for the Commission to issue an order clarifying IRP requirements and for electrical utilities to file IRPs in compliance with those requirements prior to the end of 2020.

The SCSBA and JDA also recommend that as part of this initial generic IRP docket, the Commission establish IRP filing requirements that are coordinated with other dockets that rely on updated IRP information, like avoided cost. Although Act 62 established strict timelines for a number of issues that require immediate attention, the SCSBA and JDA recommend that this Commission take the proper steps to ensure that future procedural schedules relating to a range of interdependent issues, such as IRP filings and avoided cost, are designed to maximize efficiency of Commission and Party resources and to deliver practicable regulatory outcomes for utility

customers and South Carolina's energy marketplace as envisioned in Act 62. This coordination could include, for example, staggering utility avoided cost and IRP filings on an annual basis.

In summary, the SCSBA and JDA request that this Commission:

1. Open a generic docket for purposes of adopting a uniform set of IRP requirements to clarify and support implementation of the new statutory language;
2. Set a procedural schedule for late 2019 or early 2020, which provides enough time for the Commission to issue an order clarifying IRP requirements, as well as for electrical utilities to file IRPs in compliance with those requirements prior to the end of 2020; and
3. Ultimately establish coordinated procedural schedules for IRPs and the suite of interdependent issues that rely on updated IRP information, such as avoided cost.

Respectfully Submitted,

/s/Richard L. Whitt

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cc: All Parties of Record via electronic mail